Casey Mullooly: In episode 295, we answer, how long does it take for stocks to bottom? Keep watching. Welcome back to Mullooly Asset Show. I'm your host, Casey Mullooly, back with you for episode 295. How long does it take for stocks to bottom? It's a question that a lot of people have probably been wondering over these last couple of months. I have some numbers that show how long after a bear market begins does it take for stocks to bottom?

Casey Mullooly: This looks at the returns for the S&P 500, which isn't the total market, but it's a pretty good gauge. This data goes back to 1950. We've got about just over 70 years of market data here. Pretty good sample size. Just want to add before we start, S&P 500 is not technically in a bear market. We have been close to the definition, but it feels a lot worse than it is out there right now for a lot of investors due to the bonds being down, along with stocks and inflation being at historical high levels. Cash, bonds and stocks all getting hit.

Casey Mullooly: But the stock market isn't technically in a bear market yet, but it's close enough. Let's get into the numbers, shall we? There have been 10 bear markets since 1950 with the average drawdown being 16% and the average duration of the bear market being 154 days or about five months. Just wanted to point out some outliers in this data set and those being 1973, 2001 and 2008, and those bear markets lasted an average of 376 days or just over a year.

Casey Mullooly: If you take the other seven bear markets that have occurred in this timeframe, the average of those have been 58 days. A lot of people don't even remember that they happened because they happened so fast. I think 2008 sticks out in a lot of investors' minds because it's still fairly recent, and we saw the market down about 45% with banks on the brink of collapse, the housing market flipped completely upside down, and the whole bedrock of the financial system was crumbling, so to speak.

Casey Mullooly: That I think sticks out in a lot of people's minds, but we're not anywhere near those levels. Like I said, S&P 500 is down about 17%, 18% on the date of recording this, which isn't really close to 45%. But the interesting thing is we're seeing investor sentiment levels, now they're lower than when they were when the market was down 45% and people were worried that they weren't even going to be able to get cash out of their bank accounts. Interesting to note that divergence there in the investor sentiment. But look, we know the market has been tough this year.

Casey Mullooly: There's no denying that. But as these numbers display, all bad markets come to an end and their momentary drops, that will come to an end at a certain point in time. We're not sure when that is, but we are certain that things won't be this bad forever. Unless you need your entire account balance in the next couple of months, we really believe that your patience will be rewarded. That's the message for episode 295. Hang in there. Your patience will be rewarded and all bad markets come to an end. Thanks, as always, for watching. We'll be back with you for episode 296.